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COMPT 86-1114

OSI FILE HPSCI
REPORT # _____

31 JUL 1986

NOTE TO: Executive Director
Deputy Director for Administration

FROM: Daniel A. Childs, Jr.
Comptroller

SUBJECT: HPSCI Comments on Personnel Experiments

Buc-

We received an informal copy of the HPSCI Classified Annex yesterday. Committee members are less than pleased with our line of march away from the General Schedule. Discussions with staff members indicate that feelings on this subject run very deep. A copy of the relevant sections of the report is attached. (A/IUO)

STAT



Daniel A. Childs, Jr.

Attachment: a/s

cc: D/OP
D/OCA

STAT

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Secretarial Pay Restructure

STAT CIA has notified the Committee of its intent, under authority of Section 8 of the CIA Act, to restructure Secretarial positions/pay into four levels. The proposed restructure would involve approximately [] secretaries and is intended to provide for more rapid advancement, expanded training and development opportunities, and an enhanced performance award program.

Although the Committee believes secretaries play a critical role in the successful accomplishment of the Agency's mission and that the proposed restructuring might increase retention, the Committee is not persuaded that establishing a secretarial system at CIA without parallel anywhere else in the Intelligence Community or Federal Government is warranted. The Committee is frequently presented with proposals to enhance compensation for intelligence personnel through various benefits or allowances. These requests, when viewed in isolation, often appear to be justified; however, when viewed in the broader context of the Intelligence Community or Federal Civil Service, the new program may create substantial inequities not justified by the special circumstances of intelligence activities.

The CIA has stated that the proposed restructuring and new pay rates can be implemented by the DCI under Section 8 of the CIA Act. The DCI's authority under Section 8 is very broad, but this authority has traditionally been used to institute personnel compensation programs which have paralleled those applicable to the rest of the Federal Civil Service, except in relatively rare special circumstances associated with intelligence operations. The Committee believes these criteria should continue to guide decisions regarding new compensation programs.

Accordingly, the Committee requests that the DCI provide additional justification addressing the specific rationale for distinguishing between CIA secretaries and those in other intelligence agencies and general Civil Service. Further, the Committee believes the Office of Management and Budget should establish internal review mechanisms to ensure that compensation programs are reviewed within the Executive Branch for consistency with existing policies before being submitted to the Congress.

The Committee authorization for fiscal year 1987 would allow the secretarial program to continue, but restricts total funding for the pay portion of the program to that requested for those positions in the budget request.

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Exercise of Authority Under Section 8 of the CIA Act

The Committee has noted an increase in the number of CIA personnel benefits and allowances and other expenditure programs established pursuant to DCI's authorities under Section 8 of the Central Intelligence Agency Act of 1949. While the Committee fully supports most of these actions, the Committee is concerned that programs proposed to be implemented under the authority of Section 8 may not all be necessary to carry out CIA or Intelligence Community functions. As was stated in discussing the secretarial pay restructuring proposal, special CIA compensation programs can create inequities between CIA personnel and personnel in other intelligence agencies or in the Federal Civil Service. The Committee believes these inequities should be avoided except when the program is required by unique circumstances of intelligence activities.

The Committee supports retaining Section 8 of the CIA Act and the flexibility it provides the DCI to conduct intelligence operations. However, the Committee believes strongly that the extraordinary authorities contained in Section 8 should not be used to avoid or circumvent the Congressional oversight and authorization/appropriations process. The Committee believes that new personnel program benefits or allowances that differ significantly from those available to the general Federal Civil Service should not be instituted using Section 8 authority unless such changes are discussed fully in advance with appropriate committees of the Congress. Normally, the Committee would expect to see such proposed changes noted in annual budget proposals.

The Committee carefully reviews the CIA budget request annually and recommends a specific intelligence program based on the budget justification submitted and testimony received. Once a balanced program is authorized and funds appropriated, the Committee believes it should be executed as approved by Congress except for changes agreed to through normal reprogramming or transfer procedures. Further, to allow time for Committee consideration where a Section 8 expenditure program is contemplated and cannot be submitted for review as part of the annual CIA budget request, the Committee requests that the program proposal be submitted at least 30 days prior to the proposed implementation date.

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